

October 26, 2007

**VIA ELECTRONIC COMMENT FILING SYSTEM**

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12th Street, SW  
Washington, DC 20554

Re: Value-Added Communications, Inc.  
Notice of *Ex Parte* Meeting; CC Docket No. 96-45

Dear Secretary Dortch:

In accordance with section 1.1206 of the Federal Communications Commission's Rules, 47 C.F.R. § 1.1206, this letter provides notice that yesterday, Kermit Heaton and Mike Smith of Value-Added Communications, Inc. ("VAC") and Wendy Creeden of Sonnenschein Nath and Rosenthal LLP, met with Jeremy Marcus, Thomas Buckley, Greg Guice and Carol Pomponio of the Telecommunications Access Policy Division of the Wireline Competition Bureau ("Bureau"), to discuss VAC's Petition for Review pending in the above-referenced docket.

In the meeting, VAC reiterated the points set forth in its Petition for Review. VAC explained that the Commission should grant VAC's Petition to overturn the Bureau's May 14, 2007 *Order* that denied VAC's Request for Review because: (1) the *Order* entails prejudicial procedural error in that it failed to consider VAC's specific facts and arguments raised in VAC's Request for Review and consolidated VAC's Request for Review with other party filings without notice in violation of due process; (2) the *Order* contains an erroneous finding as to an important material fact -- despite what the *Order* indicated, VAC is not, and USAC has not found that VAC is, a mandatory Universal Service Fund ("USF") contributor; (3) in not adopting a mechanism by which mistakes can be corrected in the wholesaler/reseller USF exemption certificate process, the *Order* allows the end-user USF contribution methodology to violate the equitable and non-discriminatory mandate of section 254(d) of the Communications Act of 1934, as amended, ("Act") and the basic principle of federal law that double collection from the government is not permitted.

Secretary Marlene H. Dortch

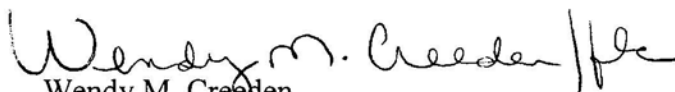
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VAC further emphasized how the lack of a corrective mechanism for wholesaler/reseller USF exemption certificate process has placed an undue hardship on resellers who have no means by which they can correct USF payment mistakes. In fact, mistakes in this process will, and do, happen, but as a practical matter, it is virtually impossible for a reseller to correct any mistakes that occur. Indeed, there is no incentive for wholesalers to incur the administrative costs to re-file Forms 499 to correct any mistakes. Furthermore, given the marketplace realities that it can take a number of months to discover a mistake and more months to come to an agreement on the correction (if that even occurs), it often is not possible for the wholesaler to re-file the appropriate Forms 499 due to the one-year limit on downward Form 499 revisions. VAC also discussed the simple administrative procedures that the Commission could implement to issue credits for USF payments as described in its Petition for Review.

Moreover, VAC stressed that the Commission must step in to create procedures to address any mistakes and allow credits for USF payments already made. Indeed, without such procedures, double collection from resellers has become prevalent, which places an undue hardship on resellers in violation of the Act and well-established principles of federal law.

Respectfully submitted,

  
Wendy M. Creeden

Counsel for Value-Added Communications, Inc.

cc: Jeremy Marcus (FCC)  
Thomas Buckley (FCC)  
Greg Guice (FCC)  
Carol Pomponio (FCC)  
Kermit Heaton (VAC)  
Mike Smith (VAC)  
Kathleen Greenan Ramsey (SNR)